EXHIBIT J

Fairfield Sigma Limited

Financial statements

for the years ended December 31, 2007 and 2006

Road Town, Tortola

British Virgin Islands

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1 Directors and other information

1.1 Directors and other information

Board of directors
Mr Walter M. Noel, Jr. (non-executive director)
Mr Jan R. Naess (non-executive director)
Mr Peter P. Schmid (non-executive director)

Registered office
Fairfield Sigma Limited
c/o Codan Trust Company (B.V.I.) Ltd.
P.O. Box 3140
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Road Town, Tortola
British Virgin Islands

Administrator, registrar and transfer agent
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The Netherlands

Bank
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B.V.I. Counsel
Conyers Dill & Pearman
Romasco Place, Wickhams Cay 1
P.O. Box 3140
Road Town, Tortola
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Investment manager
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Auditors
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Legal advisor
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Custodian
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2 Financial statements

2.1 Auditors report

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Chartered Accountants
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April 7, 2008

Report of Independent Auditors

To the Directors and Shareholders of
Fairfield Sigma Limited

In our opinion, the accompanying balance sheet and the related income statement, the statement of changes in net assets attributable to holders of redeemable participating shares and the cash flow statement present fairly, in all material respects, the financial position of **Fairfield Sigma Limited** (the "Company") as of December 31, 2007 and the results of its operations, the changes in its net assets attributable to holders of redeemable participating shares and its cash flows for the year then ended in conformity with International Financial Reporting Standards. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the Company's management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

2.2 Balance sheet as at December 31, 2007 and 2006

(All amounts in EUR unless otherwise stated)

	Notes	2007	2006
Assets			
Cash and cash equivalents		8,900,952	25,832,256
Balances due from brokers		-	4,610,606
Financial assets at fair value through profit or loss	*2.6.4*	756,613,775	461,006,970
Unrealized gains on forward foreign exchange contracts	*2.6.5*	9,818,709	704,531
Redemptions for redeemable participating shares paid in advance		21,357	1,245,620
Interest receivable		-	19,546
Total assets		775,354,793	493,419,529
Liabilities			
Line of credit	*2.6.11*	25,211,571	-
Subscriptions for redeemable participating shares received in advance		6,886,203	17,421,234
Redemptions from financial assets received in advance		-	492,462
Fees payable and accrued expenses	*2.6.8*	470,725	304,974
Interest payable on line of credit	*2.6.11*	56,397	-
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		32,624,896	18,218,670
Net assets attributable to holders of redeemable participating shares	*2.6.9*	742,729,897	475,200,859
Total liabilities		775,354,793	493,419,529
Net asset value per share based on net asset value of 742,729,897 (2006: 475,200,859) and 4,006,319.36 (2006: 2,707,785.03) shares outstanding	*2.6.9*	185.39	175.49

2.3 Income statement for the years ended December 31, 2007 and 2006
(All amounts in EUR unless otherwise stated)

	Notes	2007	2006
Revenue			
Interest income		704,831	460,708
Net gains on financial assets and liabilities at fair value through profit or loss	*2.6.4*	36,099,946	25,300,039
Net gains/(losses) on currency exchange	*2.6.4*	283,316	(1,134,276)
Total investment income		37,088,093	24,626,471
Expenses			
Expense reimbursement	*2.6.10*	959,802	561,774
Administration fees	*2.6.10*	214,863	132,000
Legal and professional fees		26,589	22,319
Interest expense		162,298	106,312
Bank charges and commissions		40,093	25,875
Directors' fees	*2.6.10*	7,953	7,597
Other operating expenses		315,871	191,990
Total operating expenses		1,727,469	1,047,867
Change in net assets attributable to holders of redeemable participating shares resulting from operations		35,360,624	23,578,604

The accompanying notes are an integral part of these financial statements.

2.4 Statement of changes in net assets attributable to holders of redeemable participating shares for the years ended December 31, 2007 and 2006

(All amounts in EUR unless otherwise stated)

	Number of shares	EUR
Balances at December 31, 2005	1,988,915.27	327,656,529
Issue of redeemable participating shares	1,257,085.85	214,539,231
Redemption of redeemable participating shares	(538,216.09)	(90,573,505)
Change in net assets attributable to holders of redeemable participating shares resulting from operations	-	23,578,604
Balances at December 31, 2006	2,707,785.03	475,200,859
Issue of redeemable participating shares	1,953,889.12	350,784,254
Redemption of redeemable participating shares	(655,354.79)	(118,615,840)
Change in net assets attributable to holders of redeemable participating shares resulting from operations	-	35,360,624
Balances at December 31, 2007	4,006,319.36	742,729,897

The accompanying notes are an integral part of these financial statements.

2.5 Cash flow statement for the years ended December 31, 2007 and 2006

(All amounts in EUR unless otherwise stated)

	2007	2006
Cash flow from operating activities		
Increase in net assets attributable to holders of redeemable participating shares from operations	35,360,624	23,578,604
Adjustment for:		
Interest income	(704,831)	(460,708)
Interest expense	162,298	106,312
Operating profit before working capital changes	34,818,091	23,224,208
Net decrease/(increase) in balances due from brokers	4,610,606	(1,329,594)
Net increase in financial assets at fair value through profit or loss	(295,606,805)	(136,828,335)
Net increase in unrealized losses on forward foreign exchange contracts	(9,114,178)	(955,096)
Net increase in fees payable and accrued expenses	165,751	77,563
Cash used in operations	(265,126,535)	(115,811,254)
Interest received	724,377	452,201
Interest paid	(105,901)	(106,312)
Net cash used in operating activities	(264,508,059)	(115,465,365)
Cash flows from financing activities		
(Decrease)/increase in subscriptions for redeemable participating shares received in advance	(10,535,031)	12,417,234
Decrease/(increase) in redemptions for redeemable participating shares paid in advance	1,224,263	(1,245,620)
(Decrease)/increase in redemptions from financial assets received in advance	(492,462)	492,462
Issue of redeemable participating shares	350,784,254	214,539,231
Redemption of redeemable participating shares	(118,615,840)	(90,573,505)
Increase in line of credit	25,211,571	-
Net cash from financing activities	247,576,755	135,629,802
Net (decrease)/increase in cash and cash equivalents	(16,931,304)	20,164,437
Cash and cash equivalents at beginning of the year	25,832,256	5,667,819
Cash and cash equivalents at end of the year	8,900,952	25,832,256

The accompanying notes are an integral part of these financial statements.

2.6 Notes to the financial statements as at December 31, 2007 and 2006

(All amounts in EUR unless otherwise stated)

2.6.1 General

Fairfield Sigma Limited (the "Company") is an open ended investment fund domiciled and incorporated in the British Virgin Islands as an international business company on March 19, 1997. The address of its registered office is: c/o Codan Trust Company (B.V.I.) Ltd., Romasco Place, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands.

The Company primarily invests in Fairfield Sentry Limited (or "FSL"). FSL is an open ended investment fund domiciled and incorporated under the provisions of The Mutual Funds Laws of the British Virgin Islands on October 30, 1990. The Company substantially invests its assets in voting shares of FSL. As at December 31, 2007 and 2006, the Company owns 15.45% (2006: 10.82%) of FSL.

Users of these financial statements should read them together with FSL's financial statements as at and for the years ended December 31, 2007 and 2006 in order to obtain full information on the financial position, results of operations and changes in financial position of the Company.

The investment manager of the Company is Fairfield Greenwich (Bermuda) Ltd. (the "Investment Manager"), a corporation organized under the laws of Bermuda. On March 27, 2006 the Investment Manager filed to become a registered investment advisor with the Securities and Exchange Commission. The registration became effective April 20, 2006.

The Investment Manager is also the investment manager of FSL, which is the Company's primary investment. FSL utilizes an options trading strategy, known as a "split strike conversion". In addition, the Investment Manager has allocated relatively small portions of FSL's assets to other strategies typically sub-advised by experienced personnel starting new businesses (the "Seedlings"). Allocations to Seedlings may never exceed, in the aggregate, 5% of FSL's net asset value at the time of the investment. It is anticipated that other allocations will be made to new investment vehicles, with no single allocation exceeding USD 50,000,000 at the time of the investment. Non-split strike conversion investments may also include strategic allocations to experienced managers in established funds.

The administrator of the Company is Citco Fund Services (Europe) B.V.

The Company has no employees.

The Company's financial statements were authorized for issue on April 7, 2008 by the Board of Directors.

2.6.2 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Because of the inherent uncertainty of valuation for all fair value investments and interests, the estimate of fair value may differ from the values that would have been used had a ready market existed, and the differences could be material.

All references to net assets throughout this document refer to net assets attributable to holders of redeemable participating shares unless otherwise stated.

The balance sheet presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items. All the Company's assets and liabilities are held for the purpose of being traded or are expected to be realized within one year.

IFRS 7, Financial Instruments: Disclosures, and the complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures, came into effect in 2007. IFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Company's financial instruments. In accordance with the requirements of Amendment to IAS 1, additional disclosures have been provided on the Company's objectives and policies for its capital, which is represented by the net assets attributable to the holders of redeemable shares. There is no impact on the classification of the Company's capital.

Foreign currency translation

(a) Functional and presentation currency

The financial statements are prepared in euros (EUR), this being the Company's functional currency. Management has chosen EUR as the functional and presentation currency for the Company to reflect the fact that the issued ordinary shares of the Company are denominated in EUR.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognized in the income statement within the fair value net gain or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash on hand, deposits held with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Due from brokers

Amounts due from brokers represent deposit amounts held with brokers as collateral for engaging into forward foreign currency contract transactions.

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

Financial assets at fair value through profit or loss

Management designates the Company's investment in FSL as financial assets at fair value through profit or loss at inception.

A financial asset or financial liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

(a) It is classified as held for trading. A financial asset or liability is classified as held for trading if it is:
   (i) acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
   (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking or
   (iii) a derivative

(b) Upon recognition it is designated by the entity as at fair value through profit or loss.

All other financial assets are classified as loans and receivables and valued at amortized cost. Other financial liabilities that are not at fair value through profit or loss or redeemable participating shares are classified as other liabilities and are valued at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Interest income is presented under net gains and losses on financial assets and liabilities at fair value through profit and loss.

Derivatives are currently employed to hedge USD exposure to the Company.

Regular-way purchases and sales of investments are recognized on trade date, which is the date the Company commits to purchase or sell the investment. Investments are initially recognized at cost. Transaction costs are expensed as incurred. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Listed securities are valued at the last reported bid price if owned and asked price if sold short on the last business day of the valuation period.

Unlisted securities are valued at their fair values as determined by management in consultation with the Investment Manager in accordance with recognized accounting and financial principles. In this respect, investments in other investment companies are valued at the net asset value per share on the day of valuation as calculated by the related administrators, unless the directors are aware of good reasons why such valuation would not be the most appropriate indicator of fair value.

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

Determination of gains or losses on financial assets and liabilities at fair value through profit or loss

Both realized and unrealized gains and losses on financial assets and liabilities at fair value through profit or loss are taken as income and expenses as incurred. Realized gains and losses on sales of financial assets and liabilities at fair value through profit or loss are calculated on a first-in-first-out basis. The difference between the cost and the fair value of financial assets and liabilities at fair value through profit or loss is reflected in the income statement as the change in unrealized gains or losses on investments.

Derivative financial instruments

Derivative financial instruments including forward currency contracts are initially recognized on the balance sheet at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value.

Fair values are primarily obtained from quoted market prices. All derivatives are recorded as assets when amounts are receivable by the Company and as liabilities when amounts are payable by the Company. Changes in the fair values of derivatives are included in the income statement.

Initial margin deposits are made upon entering into forward contracts and are generally made in cash. During the period the contract is open, changes in the value of the contracts are recognized as unrealized gains or losses by 'marking-to-market' on a daily basis to reflect the market value of the contract at the end of each day's trading.

Variation margin payments are made or received, depending upon whether unrealized losses or gains are incurred. Unrealized gains are reported as an asset and unrealized losses are reported as a liability in the balance sheet. When the contract is closed, the Company records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Company's basis in the contract.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported on the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Redeemable participating shares

A continuous offering of redeemable participating shares is taking place and participating shares will be issued on the first business day of each month at a price equal to the net asset value per participating share computed on the immediately preceding valuation date (being the last business day of each calendar month and such other days as the directors may determine). The minimum initial investment per subscriber is EUR 200,000. Following this initial investment, a shareholder may make additional investments in amounts of not less than EUR 75,000.

Redemptions of redeemable participating shares can be made on the last business day of each month (the "Valuation Date") at a price equal to the net asset value of that month upon at least 15 calendar days notice prior to the Valuation Date.

The net asset value of shares for any valuation date is determined by dividing the value of the assets of the Company less its liabilities at the close of business on such Valuation Date, by the number of shares outstanding at that date.

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

The Company issues redeemable shares, which are redeemable at the holder's option and are classified as financial liabilities. Redeemable shares can be put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value. The redeemable share is carried at the redemption amount that is payable at the balance sheet date if the holder exercises the right to put the share back to the Company.

In accordance with the provisions of the Company's regulations, investment positions are valued based on the last traded market price for determining the net asset value per share for subscriptions and redemptions. (Refer to Note 2.6.12 Reconciliation of IFRS-US GAAP.)

Subscriptions for redeemable participating shares received in advance represent monies received by the Company before the Company's dealing date for redeemable participating shares to be issued.

Redemptions for redeemable participating shares paid in advance represent monies paid by the Company before the Company's dealing date for redeemable participating shares. (Refer to Note 2.6.3 Redemptions payable.)

Interest income and expense

Interest income and expense are recognized in the income statement on an accrual basis.

Expenses

Expenses are accounted for on an accrual basis.

Taxation

Under current laws of the British Virgin Islands, there are no income, estate, transfer, sales or other British Virgin Island taxes payable by the Company. Generally, the Company intends to conduct its affairs so as not to be liable to taxation in any other jurisdiction; however, the Company may invest in securities whose income is subject to non-refundable foreign withholding taxes.

2.6.3 Redemptions payable

The Company has received redemption notices as of December 31, 2007. These amounts are included in net assets attributable to holders of redeemable participating shares and are not reflected as redemptions for redeemable participating shares payable. The amount of net assets attributable to holders of redeemable participating shares at December 31, 2007 subject to redemption notices which have been received is 8,825,370 (2006: 6,965,861).

2.6.4 Financial assets at fair value through profit or loss

As at December 31, 2007 and 2006, the Company's financial assets at fair value through profit or loss comprised the following:

	2007			2006		
Funds	**Shares**	**Value**	**% of total net assets**	**Shares**	**Value**	**% of total net assets**
Fairfield Sentry Ltd.	854,696.83	756,613,775	101.87	505,696.86	461,006,970	97.01

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

The Company's net gains on financial assets and liabilities at fair value through profit or loss are comprised of the following:

	2007	2006
Realized	49,863,318	32,213,056
Unrealized	(13,763,372)	(6,913,017)
Total gains / (losses)	36,099,946	25,300,039

The Company's net gains on currency exchange are comprised of the following:

	2007	2006
Realized	(501,653)	(1,217,504)
Unrealized	784,969	83,228
Total gains / (losses)	283,316	(1,134,276)

2.6.5 Derivative financial instruments

As at December 31, 2007 the Company had the following outstanding forward foreign currency contracts:

	Bought amount		Sold amount	Maturity date	Unrealized gain/(loss)
EUR	742,291,723	USD	1,069,310,569	01/29/2008	9,818,709
					9,818,709

As at December 31, 2006 the Company had the following outstanding forward foreign currency contracts:

	Bought amount		Sold amount	Maturity date	Unrealized gain/(loss)
USD	15,044,590	EUR	11,400,000	01/02/2007	(4,237)
EUR	483,198,604	USD	637,641,830	01/25/2007	708,768
					704,531

2.6.6 Risks associated with financial instruments

The Company can maintain positions in a variety of derivative and non-derivative financial instruments as dictated by its investment management strategy. The Company's investment

portfolio comprises quoted and non-quoted investments, options investments in other funds that it intends to hold for an indefinite period of time.

The Company's primary investment are shares of FSL, which seeks to obtain capital appreciation of its assets principally through the utilization of a non-traditional options trading strategy described as "split strike conversion," to which FSL allocates the predominant portion of its assets. Set forth below is a description of the SSC Strategy ("SSC Investments"). The establishment of a typical position entails (i) the purchase of a group or basket of equity securities that are intended to highly correlate to the S&P 100 Index, (ii) the purchase of out-of-the-money S&P 100 Index put options with a notional value that approximately equals the market value of the basket of equity securities, and (iii) the sale of out-of-the-money S&P 100 Index call options with a notional value that approximately equals the market value of the basket of equity securities. An index call option is out-of-the-money when its strike price is greater than the current price of the index; an index put option is out-of-the-money when the strike price is lower than the current price of the index.

The Company's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed to are market risk, credit risk and liquidity risk.

Asset allocation is determined by the Company's Investment Manager who manages the distribution of assets to achieve its investment objectives. Divergence from target asset allocations and the composition of the portfolio is closely monitored by the Investment Manager to manage risk exposure.

The nature and extent of the financial instruments outstanding at the balance sheet date and the risk management policies employed by the Company are discussed below.

Market risk

Market risk embodies the potential for both loss and gains and includes currency risks, interest rate risk and price risk.

The Company's strategy on the management of investment risk is driven by the Company's investment objective as disclosed in note 2.6.1. The Company's market risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The Company has defined risk/reward parameters which can be ascertained at the time a position is constructed. The split-strike conversion strategy is executed under a set of strict operating guidelines which serves to limit market risk.

Market risk is measured and monitored both qualitatively and quantitatively using a number of in-house and third party risk tools. The Investment Manager monitors the portfolio and performs checks to monitor the investment compliance to operating guidelines.

Details of the nature of the Company's investment portfolio at the balance sheet date are disclosed in note 2.6.4.

Currency risk

The Company may invest in assets denominated in currencies other than its reporting currency, the Euro. Consequently, the Company is exposed to risks that the exchange rate of the Euro relative to other currencies may change in a manner that has an adverse effect on the reported value of that portion of the Company's assets denominated in currencies other than the Euro.

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

The Company hedges its net assets denominated in other currencies than its reporting currency by entering into forward foreign currency contracts.

The table below summarizes the Company's exposure to currency risks.

As at December 31, 2007 (All amounts in EUR)

	EUR	USD	Total
Assets			
Cash due from banks and brokers	7,037,576	1,863,376	8,900,952
Financial assets at fair value through profit or loss	-	756,613,775	756,613,775
Other assets	21,357	9,818,709	9,840,066
Total assets	7,058,933	768,295,860	775,354,793
Liabilities			
Line of credit		(25,211,571)	(25,211,571)
Other liabilities	(7,160,542)	(252,783)	(7,413,325)
Total liabilities (excluding net assets attributable to holders of participating redeemable shares)	(7,160,542)	(25,464,354)	(32,624,896)

As at December 31, 2006 (All amounts in EUR)

	EUR	USD	Total
Assets			
Cash due from banks and brokers	17,621,983	12,820,879	30,442,862
Financial assets at fair value through profit or loss	-	461,006,970	461,006,970
Other assets	1,245,620	724,077	1,969,697
Total assets	18,867,603	474,551,926	493,419,529
Liabilities			
Financial assets at fair value through profit or loss	-	-	-
Other liabilities	(18,091,590)	(127,080)	(18,218,670)
Total liabilities (excluding net assets attributable to holders of participating redeemable shares)	(18,091,590)	(127,080)	(18,218,670)

At December 31, 2007, had the exchange rate between the US dollar and the euro increased or decreased by 5% with all other variables held constant, the increase or decrease respectively in net assets attributable to holders of redeemable shares would amount to approximately EUR 31,965 (2006: EUR 248,195). In accordance with the Company's policy, the Investment Manager monitors the Company's currency position on a daily basis.

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

Interest rate risk

The Company's interest rate risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place.

The investments of FSL at December 31, 2007 are primarily US treasury bills with short durations (i.e. less than one year), sensitivity to interest changes and consequent impact on net assets and profit is considered to be not material. Interest rate risk on cash balances is also considered not material.

Other price risk

Other price risk comprises the risk that the value of investments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all financial instruments traded in the market. As the majority of the Company's financial instruments are carried at fair value with fair value changes recognized directly in the income statement, all changes in market conditions will directly affect the Company's net investment income.

Price risk is mitigated by the Company's Investment Manager by constructing a diversified portfolio of instruments traded on various markets.

A typical position in its entirety could be characterized as a bull spread which, presuming the stock basket highly correlates to the S&P 100 Index, is intended to work as follows: (i) it sets a floor value below which further declines in the value of the stock basket is offset by gains in the put options, (ii) it sets a ceiling value beyond which further gains in the stock basket are offset by increasing liability of the short calls, and (iii) defines a range of potential market gain or loss, depending on how tightly the options collar is struck.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. This relates also to financial assets carried at amortized cost, as they have a short-term to maturity.

As at December 31, 2007, the following financials assets were exposed to credit risk:

	2007	2006
Cash and cash equivalents	8,900,952	25,832,256
Financial assets at fair value through profit or loss	756,613,775	461,006,970
Interest, dividends and other receivables	-	19,546
	765,514,727	486,858,772

Amounts in the above table are based on the carrying value of all accounts.

Substantially all of the cash held by the Company is held by Citco Bank Nederland NV. Bankruptcy or insolvency by the bank may cause the Company's rights with respect to the cash

held by the bank to be delayed or limited. The Company monitors its risk by monitoring the credit quality and financial positions of the bank.

Liquidity risk

The Company's constitution provides for the monthly creation and cancellation of redeemable participating shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions of redeemable participating shares at any time.

The Company's liquidity risk is managed on a periodic basis by the Investment Manager. The Company's redemption policy only allows for redemptions on the last day of each month and shareholders must provide 15 calendar days notice.

At December 31, 2007 and 2006, the Company's financial liabilities had maturities of less than one month.

Off-balance sheet risk

An off-balance sheet risk exists when the maximum potential loss on a particular investment is greater than the value of such investment as reflected in the Company's balance sheet.

Off-balance sheet credit risk exists, among other situations, when the collateral received by the Company is insufficient to cover losses which might result from a counterparty's failure to fulfil its obligation under contracts with the Company.

As at December 31, 2007 and 2006, the Company had no significant off-balance sheet risks.

2.6.7 Specific instruments

Forwards

Forward contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Forward contracts result in credit exposure to the counterparty. Forward contracts result in exposure to market risk based on changes in market prices relative to contracted amounts. Market risks arise due to the possible movement in foreign currency exchange rates, indices, and securities' values underlying these instruments.

In addition, because of the low margin deposits normally required in relation to notional contract sizes, a high degree of leverage may be typical of a forward trading account. As a result, a relatively small price movement in an underlying of forward contract may result in substantial losses to the Company. Forward contracts are generally subject to liquidity risk.

Notional amounts are the underlying reference amounts to foreign currencies upon which the fair value of forward contracts traded by the Company are based.

While notional amounts do not represent the current fair value and are not necessarily indicative of the future cash flows of the Company's forward contracts, the underlying price changes in relation to the variables specified by the notional amounts affect the fair value of these derivative financial instruments.

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

2.6.8 Fees payable and accrued expenses

	2007	2006
Expense reimbursement	274,189	171,195
Legal and professional fees	42,589	33,228
Custody fees	90,716	54,672
Other accounts payable and accrued expense	63,231	45,879
	470,725	304,974

2.6.9 Redeemable participating shares

The authorized redeemable participating shares of the Company is EUR 50,000 divided into 5,000,000 ordinary shares. As at December 31, 2007 there were 4,006,319.36 (December 31, 2006: 2,707,785.03) redeemable participating shares issued and fully paid.

Each redeemable participating share entitles the holder to one vote and to receive such dividends as declared by the directors and to participate upon liquidation on a proportional basis. The dividend policy is determined by the directors and the current policy is directed towards capital appreciation.

The Company will not accept a subscription tendered at a time when the number of its outstanding shares is 5,000,000.

2.6.10 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Management fees

The Investment Manager of the Company receives no management fee or performance fee. Any fees incidental to the investments in FSL shall be paid to the manager by FSL.

The Company pays Fairfield Greenwich Advisors LLC ("FGA"), an affiliate of the Investment Manager, an annual expense reimbursement charge of fifteen basis points, payable quarterly in an amount equal to one-thirty seventh and one half of one percent (0.0375%) of the Company's Net Asset Value as of the last day of each calendar quarter, for providing certain administrative services and back-office support to the Company. FGA receives a similar reimbursement from FSL for providing administrative services and back-office support to FSL.

Directors' fees

The directors not affiliated with the Investment Manager, of which there are at the present time two, will each be paid a fee of USD 5,000 (2006: USD 5,000) per annum by the Company together with out-of-pocket expenses made in attending meetings of the Board of Directors or of shareholders. The directors received a remuneration of EUR 7,953 for the year 2007 (2006: EUR 7,597).

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

Mr. Walter M. Noel, Jr., a director of the Company is also a principal officer and director of Fairfield Greenwich Limited. The Investment Manager is a wholly owned subsidiary of Fairfield Greenwich Limited.

Administration fees

The Company pays to the administrator a monthly fee based on the net asset value of the Company as of the last business day of the month. The administrator will also be reimbursed for all disbursements and reasonable expenses incurred in the performance of its duties as detailed in the administrative services agreement.

Custody fee

The Company pays custody fees quarterly in arrears in accordance with the custody agreement. The custody fee will be accrued on a monthly basis. The custodian will charge the Company a transaction fee per transfer, subscription, purchase, sale or redemption of FSL. Custody fees are included in other operating expenses on the income statement.

Investments made during the year in FSL are as follows:

	2007 USD	2006 USD
Trading securities bought	454,792,803	222,871,437
Trading securities sold	21,005,802	39,381,659

2.6.11 Line of Credit

The Company obtained a credit facility from an investment bank on January 25, 2005. The credit facility may not exceed the lesser of USD 50,000,000 or 15% of the Net Asset Value.

The outstanding principal bears an interest percentage of 2.0% per annum above the Federal Funds Effective Rate. Interest will be charged quarterly and will be calculated on the basis of a 360-day year and actual days elapsed.

The facility is generally used only when there is a realized treasury loss on the forward currency (hedging) contract. The facility is generally paid off within 30 days. As at December 31, 2007 the Company had a total of EUR 25,267,968, including EUR 56,397 in interest payable, (2006: nil) due under the credit facility.

2.6.12 Reconciliation IFRS – US GAAP

As the Company is managed by an SEC registered investment advisor, it is required that the Company issues its financial statements in accordance with United States generally accepted accounting principles (US GAAP) or otherwise presents a reconciliation to US GAAP in the financial statements.

The Company has elected to prepare the financial statements in accordance with IFRS. Accordingly, a reconciliation of the net assets attributable to holders of redeemable participating

shares under US GAAP was completed and there were no differences noted as at December 31, 2007 and 2006.

Valuation of investments against closing price

IFRS requires that financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices. US GAAP requires both financial assets as well as financial liabilities to be priced at the last quoted sales prices. As at December 31, 2007 and 2006 there is no material difference between net assets attributable to holders of redeemable participating shares based on IFRS and US GAAP.

2.6.13 Financial highlights

Pursuant to the AICPA Audit and Accounting Guide, *Audits of Investment Companies*, non-public investment companies are required to disclose certain financial highlights related to investment performance and operations. These financial highlights include the total return and net investment income and expense ratios and per share operating performance for the period ended December 31, 2007 and 2006 for the Company based on US GAAP.

Based on US GAAP	**2007**	**2006**
Ratio of net investment loss to average net assets	(0.16%)	(0.16%)
Ratio of operating expenses and performance fee to average net assets:		
• Operating expense	0.27%	0.25%
Total operating expenses and performance fees	0.27%	0.25%

The computation of the above-mentioned ratios based on the amount of operating expenses and performance fee assessed to an individual investor's equity may vary from these ratios based on the timing of capital transactions. The above ratios do not reflect the Company's proportionate share of income and expenses of FSL.

Based on US GAAP	**2007**	**2006**
Total return:		
• Total return before performance fee	5.64%	6.53%
Total return after performance fees	5.64%	6.53%

Total returns stated above are the total returns for the Company as a whole before and after performance fees based on the total capital subscriptions and redemptions and the change in net asset value during the years for the Company.

2.6 Notes to the financial statements as at December 31, 2007 and 2006 (All amounts in EUR unless otherwise stated)

	2007	2006
Based on US GAAP		
Per share operating performance		
Net asset value, beginning of year	175.49	164.74
Net investment loss	(0.27)	(0.27)
Net realized and unrealized gains on transactions	10.17	11.02
Total from investment operations	9.90	10.75
Net asset value, end of year	185.39	175.49

The schedule above provides a breakdown of the increase in net asset value per share into the net investment loss and net realized and unrealized gains on transactions.

2.6.14 Post-balance sheet events

There were no material post-balance sheet events which have a bearing on the understanding of the financial statements.